

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION**

In re:)	Case No.: 24-43233-357
)	Honorable Brian C. Walsh
URBAN CHESTNUT BREWING)	Chapter 11 Proceeding
COMPANY, INC.)	
)	Hearing Date: February 12, 2025
EIN - 27-1324055)	Hearing Time: 10:00 a.m.
Debtor.)	Location: Courtroom 5 North
)	
)	
)	

**DECLARATION OF DAVID WOLFE IN SUPPORT OF DEBTOR'S APPLICATION TO
SELL ASSETS FREE AND CLEAR OF LIENS**

I, David Wolfe, under penalty of perjury pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am the President of Urban Chestnut Brewing Company, Inc. ("UCBC") and make this Declaration in support of UCBC's Application to Sell Assets Free and Clear of Liens. If called to testify, this Declaration accurately reflects my testimony.

2. UCBC's proposed sale to Keg Holdings LLC is the culmination of a lengthy process during which UCBC sought refinancing, investors and buyers for UCBC's business operations.

3. In early 2022, post-pandemic, UCBC was concerned with cash flow due to the amount of secured debt UCBC held. In efforts to address this concern, UCBC had discussions with numerous banks including Carrollton Bank, Commerce Bank and Busey Bank regarding refinancing. Despite UCBC's efforts, UCBC's debt levels made refinancing impossible.

4. At the same time UCBC was exploring refinancing, it was also having discussions with various parties about a sale transaction. During 2022, UCBC was introduced to

Brian Travers, the principal of Keg Holdings LLC, and by the end of the year the parties were close to terms on a letter of intent. However, by March of 2023, as UCBC's financials continued to erode, Travers decided not to move forward.

5. At approximately the same time in 2022, UCBC was approached by The St. Louis Brewing Co., aka Schlafly Brewery, about a possible combination of the two entities. The parties engaged Selequity, a St. Louis based consultant group, and spent much time and effort trying to structure an arrangement. This exploration continued into the fall of 2023. However, primarily due to UCBC's debt burden, the two parties struggled to find a proposal that worked.

6. UCBC re-approached Brian Travers and introduced him to David Schlafly and the Selequity team of AJ Chivetta, Bill Florent, and Maria Desloge. All three organizations continued to explore a possible entrance of Travers as an investor in a combined UCBC-Schlafly venture. This process continued into early 2024. Paramount Bank and Carrollton Bank were also both brought in to look at the deal as well, and eventually Travers decided not move forward with a combined venture, but he did express reinterest in acquiring UCBC.

7. Travers and UCBC continued discussions early into the second quarter of 2024, at which time an LOI was executed and entered into in late April.

8. Once it was determined that a bankruptcy sale was the only option to complete the transaction, UCBC began preparing for the filing. Several weeks prior to the filing, UCBC was approached by the High-End and New Ventures group at Anheuser-Busch, InBev ("ABI") due to press surrounding UCBC's financial struggles. UCBC then met with ABI and informed them of the impending deal with a third party and regarding a potential foreclosure of the UCBC's note with MSB. ABI spent 2-3 weeks meeting with UCBC and reviewing UCBC's

financials, and other documentation, as well as similar paths to acquiring UCBC. Ultimately, shortly before UCBC filing for Chapter 11, ABI decided that they were not interested in an acquisition.

9. In addition to ABI, UCBC had conversations with New Realm Brewing, Artisinal Brewing Ventures, an amalgamation of breweries operating for Ulysses Capital, and Greenleaf Capital Partners. UCBC also asked the Brewer's Association, a trade group, to publicize the bid procedures and sale. None of the conversations materialized into legitimate interest.

10. After the bankruptcy filing, UCBC worked with Paragon Beverage Advisors and asked them to contact potential buyers to gauge interest in making a competing bid to Keg Holdings. Paragon circulated a CIM created by UCBC, which resulted in a response or a discussion with nine (9) parties including Tilray, New Glarus, New Belgium, Boulevard, Arlington Capital, Arch Star Capital, Logboat and Innovative Business Advisors. None of these contacts expressed further interest.

11. Lastly, UCBC had discussions with Boston Beer/Sam Adams owner, Jim Koch, about making a competing bid for the UCBC assets. Boston Beer was aware of the filing and had already determined that it was not interested in placing a bid.

12. Given the refinancing and sale efforts, I believe the sale to Keg Holdings represents the best offer for the assets of UCBC.

I declare under penalty of perjury that to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed on this 11th day of February, 2025.

/s/ David Wolfe
David Wolfe, President
Urban Chestnut Brewing Company